

Please find below the specific sections of the draft Allocation Agreement for the New Markets Tax Credit Program referenced in the notice and request for comments published in the Federal Register on July 16, 2003 pursuant to the requirements of the Paperwork Reduction Act of 1995. Please direct all comments concerning these provisions to Jeffrey C. Berg, Legal Counsel, Community Development Financial Institutions Fund, U.S. Department of the Treasury, 601 13th Street, NW, Suite 200 South, Washington, D.C. 20005, allocationagreementPRComments@cdfi.treas.gov, Facsimile Number (202) 622-7754.

Allocation Agreement Sections

- 4.9 Disclosure to Potential Investors. The Allocatee has made all disclosures required by Federal or State law, including applicable securities laws, to taxpayers to whom the Allocatee has issued Qualified Equity Investments and has advised all such taxpayers to perform all necessary due diligence prior to making an Equity Investment in the Allocatee. The Allocatee has also informed all such taxpayers that the receipt of a NMTC Allocation from the Fund shall not be deemed to be an assurance of any kind by the Fund regarding the taxpayer's Equity Investment in the Allocatee.
- 6.2 Fraud, Waste and Abuse. If the Allocatee becomes aware at any time of the existence of fraud, waste or abuse of the NMTC Allocation allocated pursuant to this Allocation Agreement, the Allocatee shall promptly report such incidence(s) to the Office of Inspector General of the U.S. Department of the Treasury.
- 6.5(c) Audited Financial Statements. Within 120 days after the end of the Allocatee's first fiscal year ending after the Allocation Date and each fiscal year of the Allocatee thereafter, the Allocatee shall deliver to the Fund copies of the Allocatee's most recent statements of financial condition audited by an independent certified public accountant. The due dates for each such audited financial statement are listed in Schedule B attached hereto.
- 6.9 Advise the Fund of Certain Material Events. The Allocatee shall advise the Fund in writing in reasonable detail of any of the following events,

within 20 calendar days of the occurrence of such events:

- (a) any proceeding instituted against the Allocatee or its Affiliates in, by or before any court, governmental or administrative body or agency, which proceeding or its outcome could have a material adverse effect upon the operations, assets or properties of the Allocatee;
- (b) any material adverse change in the condition, financial or otherwise, or operations of the Allocatee which would impair the Allocatee's ability to carry out the authorized uses of the NMTC Allocation to be provided hereunder;
- (c) the occurrence of any Event of Default, as that term is defined in Section 8.1 hereof, or any event which upon notice or lapse of time, or both, would constitute an Event of Default;
- (d) the occurrence of any event that may be a recapture event pursuant to IRC § 45D(g) and 26 C.F.R. 1.45D-1T(e) (2); or
- (e) the merger or acquisition of the Allocatee by or with another entity.